

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Statement of Issues
Against:

NATHANIEL PRENTICE PAREDES
2167 Trafalgar Ave.
Riverside, CA 92506

**Applicant for Certified Public Accountant
License**

Respondent.

Case No. SI-2013-8

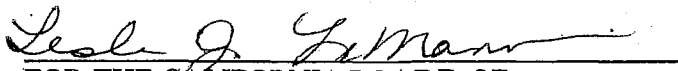
OAH No. 2013020823

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on June 29, 2013.

It is so ORDERED May 30, 2013.


FOR THE CALIFORNIA BOARD OF
ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

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9 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

10 In the Matter of the Statement of Issues
11 Against:

Case No. SI-2013-8

12 **NATHANIEL PRENTICE PAREDES**
13 **2167 Trafalgar Ave.**
Riverside, CA 92506

OAH No. 2013020823

14 **Applicant for Certified Public Accountant**
15 **License**

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER

16 Respondent.

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19 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
20 entitled proceedings that the following matters are true:

21 **PARTIES**

22 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
23 Accountancy. She brought this action solely in her official capacity and is represented in this
24 matter by Kamala D. Harris, Attorney General of the State of California, by M. Travis Peery,
25 Deputy Attorney General.

26 2. Respondent Nathaniel Prentice Paredes (Respondent) is representing himself in this
27 proceeding and has chosen not to exercise his right to be represented by counsel.

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3. On or about December 19, 2011, Respondent filed an application dated December 14, 2011, with the California Board of Accountancy to obtain a Certified Public Accountant License.

JURISDICTION

4. Statement of Issues No. SI-2013-8 was filed before the California Board of Accountancy (CBA), Department of Consumer Affairs, and is currently pending against Respondent. The Statement of Issues and all other statutorily required documents were properly served on Respondent on January 29, 2013.

5. A copy of Statement of Issues No. SI-2013-8 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

6. Respondent has carefully read, and understands the charges and allegations in Statement of Issues No. SI-2013-8. Respondent has also carefully read, and understands the effects of this Stipulated Settlement and Disciplinary Order.

7. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Statement of Issues; the right to be represented by counsel at his own expense; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

9. Respondent admits the truth of each and every charge and allegation in Statement of Issues No. SI-2013-8.

10. Respondent agrees that his application for Certified Public Accountant License is subject to denial and he agrees to be bound by the CBA's probationary terms as set forth in the Disciplinary Order below.

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1 Within 180 days of the effective date of this decision, Respondent shall take and pass the
2 ethics exam. Respondent agrees to take the exam in the presence of a Certified Public
3 Accountant (CPA). The CPA selected shall be in good standing with the CBA and be pre-
4 approved by the CBA prior to Respondent taking the exam. The CPA must agree to monitor
5 Respondent and provide a statement to the CBA stating that Respondent took the exam and only
6 used materials and methods permitted. Respondent shall pay for all costs of such monitoring.

7 IT IS HEREBY FURTHER ORDERED that upon completion of the conditions precedent
8 above, and upon successful completion of all licensing requirements, Respondent shall be issued
9 a Certified Public Accountant license. However, the license shall be immediately revoked, the
10 revocation stayed, and Respondent shall be placed on probation for a period of five (5) years
11 under the following terms and conditions:

12 1. **Obey All Laws**

13 Respondent shall obey all federal, California, other states' and local laws, including those
14 rules relating to the practice of public accountancy in California.

15 2. **Submit Written Reports**

16 Respondent shall submit, within 10 days of completion of the quarter, written reports to the
17 CBA on a form obtained from the CBA. The respondent shall submit, under penalty of perjury,
18 such other written reports, declarations, and verification of actions as are required. These
19 declarations shall contain statements relative to respondent's compliance with all the terms and
20 conditions of probation. Respondent shall immediately execute all release of information forms
21 as may be required by the CBA or its representatives.

22 3. **Personal Appearances**

23 Respondent shall, during the period of probation, appear in person at interviews/meetings as
24 directed by the CBA or its designated representatives, provided such notification is accomplished
25 in a timely manner.

26 4. **Comply With Probation and Cooperate with the Board**

27 Respondent shall fully comply with the terms and conditions of the probation imposed by
28 the CBA and shall cooperate fully with representatives of the California Board of Accountancy in

1 its monitoring and investigation of the respondent's compliance with probation terms and
2 conditions. Respondent shall keep the Board informed regarding how to contact him as required
3 by the Board or its designees. Respondent voluntarily agrees to fully cooperate with, and make
4 himself available to, the Board and its designees, including the Office of the Attorney General,
5 without the necessity of a subpoena, in any investigation of other Board licensees regarding
6 cheating on the ethics exam, including but not limited to, the providing of interviews, statements,
7 affidavits, declarations, and any other documents or other types of information requested,
8 consistent with the requirement of confidentiality and law. Respondent, if called to do so, shall
9 cooperate with the Board and shall testify at any subsequent administrative or civil proceeding if
10 asked to do so by the Board.

11 **5. Practice Investigation**

12 Respondent shall be subject to, and shall permit, a practice investigation of the respondent's
13 professional practice. Such a practice investigation shall be conducted by representatives of the
14 CBA, provided notification of such review is accomplished in a timely manner.

15 **6. Comply With Citations**

16 Respondent shall comply with all final orders resulting from citations issued by the
17 California Board of Accountancy.

18 **7. Tolling of Probation for Out-of-State Residence/Practice**

19 In the event respondent should leave California to reside or practice outside this state,
20 Respondent must notify the CBA in writing of the dates of departure and return. Periods of non-
21 California residency or practice outside the state shall not apply to reduction of the probationary
22 period, or of any suspension. No obligation imposed herein, including requirements to file
23 written reports, reimburse the CBA costs, and make restitution to consumers, shall be suspended
24 or otherwise affected by such periods of out-of-state residency or practice except at the written
25 direction of the CBA.

26 **8. Violation of Probation**

27 If Respondent violates probation in any respect, the CBA, after giving Respondent notice
28 and an opportunity to be heard, may revoke probation and carry out the disciplinary order that

1 was stayed. If an accusation or a petition to revoke probation is filed against Respondent during
2 probation, the CBA shall have continuing jurisdiction until the matter is final, and the period of
3 probation shall be extended until the matter is final.

4 The CBA's Executive Officer may issue a citation under California Code of Regulations,
5 Section 95, to a licensee for a violation of a term or condition contained in a decision placing that
6 licensee on probation.

7 **9. Completion of Probation**

8 Upon successful completion of probation, Respondent's license will be fully restored.

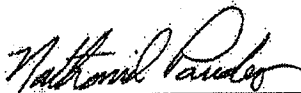
9 **10. Ethics Continuing Education**

10 Each year Respondent is on probation, he shall complete four hours of continuing education
11 in course subject matter pertaining to the following: a review of nationally recognized codes of
12 conduct emphasizing how the codes relate to professional responsibilities; case-based instruction
13 focusing on real-life situational learning; ethical dilemmas facing the accounting profession; or
14 business ethics, ethical sensitivity, and consumer expectations (within a given period of time or
15 prior to resumption of practice). Courses must be a minimum of one hour as described in
16 California Code of Regulations Section 88.2, (Courses will be passed prior to resumption of
17 practice where license has been suspended or where otherwise appropriate.)

18 **ACCEPTANCE**

19 I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the
20 stipulation and the effect it will have on my Certified Public Accountant License. I enter into this
21 Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree
22 to be bound by the Decision and Order of the California Board of Accountancy.

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24 DATED: 4/24/2013



NATHANIEL PRENTICE PAREDES
Respondent

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Dated: 4/29/13

KAMALA D. HARRIS
Attorney General of California
GREGORY J. SALUTE
Supervising Deputy Attorney General

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Exhibit A

Statement of Issues No. SI-2013-8

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10 **STATE OF CALIFORNIA**

11 In the Matter of the Statement of Issues
Against:

Case No. SI-2013-8

12 **NATHANIEL PRENTICE PAREDES**

STATEMENT OF ISSUES

13 Certified Public Accountant License Applicant

14 Respondent.
15

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17 Complainant alleges:

18 **PARTIES**

19 1. Patti Bowers (Complainant) brings this Statement of Issues solely in her official
20 capacity as the Executive Officer of the California Board of Accountancy, Department of
21 Consumer Affairs (CBA).

22 2. On or about December 19, 2011, the CBA received an application for a Certified
23 Public Accountant License from Nathaniel Prentice Paredes (Respondent). On or about
24 December 14, 2011, Respondent certified under penalty of perjury to the truthfulness of all
25 statements, answers, and representations in the application. The CBA denied the application on
26 August 17, 2012.

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1 subsequent order under the provisions of Section 1203.4 of the Penal Code.

2 "(2) Done any act involving dishonesty, fraud, or deceit with the intent to substantially
3 benefit himself or herself or another, or substantially injure another.

4 "(3) (A) Done any act that if done by a licentiate of the business or profession in question,
5 would be grounds for suspension or revocation of license.

6 "(B) The board may deny a license pursuant to this subdivision only if the crime or act
7 is substantially related to the qualifications, functions, or duties of the business or profession for
8 which application is made.

9 "(b) Notwithstanding any other provision of this code, no person shall be denied a
10 license solely on the basis that he or she has been convicted of a felony if he or she has obtained a
11 certificate of rehabilitation under Chapter 3.5 (commencing with Section 4852.01) of Title 6 of
12 Part 3 of the Penal Code or that he or she has been convicted of a misdemeanor if he or she has
13 met all applicable requirements of the criteria of rehabilitation developed by the board to evaluate
14 the rehabilitation of a person when considering the denial of a license under subdivision (a) of
15 Section 482. . . ."

16 6. Section 490 provides that a board may suspend or revoke a license on the ground
17 that the licensee has been convicted of a crime substantially related to the qualifications,
18 functions, or duties of the business or profession for which the license was issued."

19 7. Section 5100 states, in pertinent part:

20 "After notice and hearing the board may revoke, suspend, or refuse to renew any permit or
21 certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing
22 with Section 5080), or may censure the holder of that permit or certificate for unprofessional
23 conduct that includes, but is not limited to, one or any combination of the following causes:

24 "(a) Conviction of any crime substantially related to the qualifications, functions and
25 duties of a certified public accountant or a public accountant. . . ."

26 8. Section 5106 states:

27 "A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed
28 to be a conviction within the meaning of this article. The record of the conviction shall be

1 conclusive evidence thereof. The board may order the certificate or permit suspended or revoked,
2 or may decline to issue a certificate or permit, when the time for appeal has elapsed, or the
3 judgment of conviction has been affirmed on appeal or when an order granting probation is made,
4 suspending the imposition of sentence, irrespective of a subsequent order under the provisions of
5 Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter
6 a plea of not guilty, or setting aside the verdict of guilty or dismissing the accusation, information
7 or indictment."

8 9. Section 5110 states, in pertinent part:

9 "(a) After notice and an opportunity for a hearing, the board may deny an application to
10 take the licensing examination, deny admission to current and future licensing examinations, void
11 examination grades, and deny an application for a license or registration to any individual who
12 has committed any of the following acts:

13 "(1) Made any false, fraudulent, or materially misleading statement or a material
14 omission in any application for a license, examination, or registration.

15 "(2) Cheated or subverted or attempted to subvert any licensing examination.

16 "(3) Aided, abetted, or conspired with any other person to violate paragraph (1) or (2).

17 "(4) Any act that if committed by an applicant for licensure would be grounds for
18 denial of a license or registration under Section 480 or if committed by a licensee or a registrant
19 would be grounds for discipline under Section 5100.

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21 "(b) Neither the withdrawal of an application for examination, licensure, or registration,
22 nor the expulsion or voluntary departure from an examination shall deprive the board of its
23 authority to deny an application for, or admittance to, current or future licensing examinations, or
24 to commence or continue a proceeding based on a violation of this article.

25 "(c) Nothing in this article shall be construed to limit the authority of the board to
26 refuse admittance to or to remove from the licensing examination, any person suspected of
27 cheating or failing to comply with examination procedures or requirements.

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1 “(f) The provisions of this section are in addition to any other remedies that may be
2 available under other provisions of law including, but not limited to, those set forth in
3 Sections 123, 480, and 496.”

4 10. Section 5111 states:

5 “Cheating on, or subverting or attempting to subvert any licensing examination includes,
6 but is not limited to, engaging in, soliciting, or procuring any of the following:

7 “(a) Any communication between one or more examinees and any person, other than a
8 proctor or examination official, while the examination is in progress.

9 “(b) Any communication between one or more examinees and any other person at any
10 time concerning the content of the examination including, but not limited to, any examination
11 question or answer, unless the examination has been publicly released by the examining authority
12 or jurisdiction.

13 “(c) The taking of all or a part of the examination by a person other than the applicant.

14 “(d) Possession or use at any time during the examination or while the examinee is on
15 the examination premises of any device, material, or document that is not expressly authorized for
16 use by examinees during the examination including, but not limited to, notes, crib sheets,
17 textbooks, and electronic devices.

18 “(e) Failure to follow any examination instruction or rule related to examination
19 security.

20 “(f) Providing false, fraudulent, or materially misleading information concerning
21 education, experience, or other qualifications as part of, or in support of, any application for
22 admission to any professional or vocational examination.”

23 **REGULATORY PROVISION**

24 11. California Code of Regulations, title 16, section 99 states, in pertinent part:

25 “For the purposes of denial, suspension, or revocation of a certificate or permit pursuant to
26 Division 1.5 (commencing with Section 475) of the Business and Professions Code, a crime or act
27 shall be considered to be substantially related to the qualifications, functions or duties of a
28 certified public accountant or public accountant if to a substantial degree it evidences present or

1 potential unfitness of a certified public accountant or public accountant to perform the functions
2 authorized by his or her certificate or permit in a manner consistent with the public health, safety,
3 or welfare. Such crimes or acts shall include but not be limited to those involving the following:

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5 “(b) Fraud or deceit in obtaining a certified public accountant's certificate or a public
6 accountant's permit under Chapter 1, Division III of the Business and Professions Code;

7

8 “(d) Violation of any of the provisions of Chapter 1, Division III of the Business and
9 Professions Code or willful violation of any rule or regulation of the board.”

10 **FIRST CAUSE FOR DENIAL OF APPLICATION**

11 **(Cheating on Exam)**

12 12. Respondent's application is subject to denial under sections 480, subdivision
13 (a)(3)(A), and 5110, subdivisions (a)(1), (2) and / or (3), in conjunction with section 5111, in that
14 on or about May 2, 2012, Respondent disclosed in a letter to the CBA that on or about December
15 14, 2011, he cheated on the Professional Ethics portion of the examination for licensure.
16 Respondent informed the CBA that he obtained an answer key from another student and used it in
17 answering the examination questions.

18 **SECOND CAUSE FOR DENIAL OF APPLICATION**

19 **(Conviction of a Substantially Related Crime)**

20 13. Respondent's application is subject to denial under sections 475,
21 subdivision (a)(2), 480, subdivision (a)(1), and 5110, subdivision (a)(4), in conjunction with
22 California Code of Regulations, title 16, section 99, in that on or about July 23, 2003, Respondent
23 was convicted of a crime substantially related to the qualifications, functions or duties of a
24 certified public accountant which to a substantial degree evidences his present or potential
25 unfitness to perform the functions authorized by his certificate in a manner consistent with the
26 public health, safety, or welfare, as follows:

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1 a. On or about July 23, 2003, after pleading nolo contendere, Respondent was
2 convicted of one misdemeanor count of violating Penal Code section 148.1(b) [false report of
3 bomb] in the criminal proceeding entitled *The People of the State of California v. Nathaniel*
4 *Prentice Paredes* (Super. Ct. Los Angeles County, 2003, No. 3JM01450). The Court placed
5 Respondent on three (3) years probation, ordered him to counsel with a psychologist or
6 psychiatrist two (2) times a week for six (6) weeks. On or about November 13, 2006, the Court
7 dismissed the matter pursuant to Penal Code section 1203.4.

8 b. The circumstances underlying the conviction are that on or about February 17,
9 2003, Respondent went into his bedroom in the house he shared with his mother and sister, closed
10 the door, and told his sister through the door that he had a .22 rifle and was going to kill himself.
11 Respondent's sister called the police and upon their arrival, Respondent told them he had a 9mm
12 and a .22 and threatened to shoot the officers. Respondent also told the officers that he had the
13 door wired with explosives and if they tried to enter his room he would blow them up.
14 Respondent further indicated to the police that he had computers wired in various parts of the city
15 that would blow the entire city up. After approximately two hours of interaction with police,
16 Respondent came out of his room, gave himself up, and was arrested. Police found no explosives
17 or weapons during a search of Respondent's room.

18 **THIRD CAUSE FOR DENIAL OF APPLICATION**

19 **(Dishonesty, Fraud or Deceit)**

20 14. Respondent's application is subject to denial under sections 475,
21 subdivision (a)(3), 480, subdivision (a)(2), and 5110, subdivision (a)(4), in that Respondent
22 committed acts of dishonesty, fraud or deceit with the intent to substantially benefit himself.
23 Complainant refers to and by this reference incorporates the allegations set forth above in
24 paragraphs 12 and 13, inclusive, as though set forth fully.

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